

## NON-CONVENTIONAL ENERGY SOURCES DEPARTMENT

The 8th January, 1998

No. DNES/98/Policy/4006.—In supersession of earlier notification No. 2 /1/94-1MIP dated the 31st July, 1996 the Governor of Haryana is hereby offers following fiscal and financial incentives for Generation of Power through Non-Conventional Energy Sources (Solar, Wind, Mini-Small Hydro, Biomass Cogeneration, Waste Recycling) in Haryana :—

### 1. Operative Period

The scheme of promotional and fiscal incentives as contained herein will come into operation with the date of its publication in the office gazette and will remain in force upto 31st March, 2002.

### 2. Eligible Producers

Those generating electricity from Non-conventional Energy Sources such as Solar, Wind Electric Generators, Small Hydro Plants, Biomass Combustion, Cogeneration waste recycling etc. There will be no restrictions on generation capacity or supply of electricity to the grid. Consortia of cooperatives will also be eligible.

### 3. Grid Interfacing

(i) Interfacing, including transformers, panels, Kiosk, protection, metering, High Tension lines from the points of generation to the Haryana State Electricity Board's nearest High Tension lines etc. as well as maintenance will be undertaken by the producer as per the specifications and requirements of the Haryana State Electricity Board, for which he will bear the entire cost. Alternatively, these works and their maintenance could be undertaken by the Haryana State Electricity Board, at charges to be decided by the Haryana State Electricity Board.

(ii) Depending upon the generation capacity, if the sub-station capacity at 33/11 KV or higher levels is required to be augmented or 66KV or higher capacity transmission lines are to be provided, this will be undertaken by the Haryana State Electricity Board, at their cost.

(iii) Two separate meters, one for the export of power to the grid and another for import from the grid will be installed on the H. T. side by the producer. The meters and metering boxes will be sealed by the Haryana State Electricity Board.

(iv) Necessary current limiting devices such as thyristors will be installed in the generating equipment by the producer. Capacitors of sufficient rating will also be provided in the equipment to ensure that the power factor is always maintained above 0.8.

### 4. Wheeling Charges

Haryana State Electricity Board will undertake to transmit on its grid the power generated by private power producers using non-conventional energy sources and make it available to the producer for captive use or to a Third Party within the State at a uniform wheeling charges of 2% of the energy fed to the grid, irrespective of distance from the generating station, if H. T./L. T. lines exists. If H. T./L. T. lines required to be laid beyond Haryana State Electricity Board lines for wheeling the power at any desired point, then the cost of the same shall have to be borne by the promotor/power producer. In case the power is to be sold to a third party, the name of such party shall be indicated by the power producer at the time of making an application in the prescribed form of Haryana State Electricity Board.

### 5. Purchase Price

Haryana State Electricity Board will purchase electricity offered by the power producers at the rate of Rs. 2.25 per unit for the base year 1994-95 with an annual escalation @ 5% on the purchase rate of the previous year.

### 6. Banking

The banking facility shall be allowed for a period of one year by Haryana State Electricity Board.

### 7. Electricity Duty

Captive power generation using non-conventional energy sources as well as its sale to HSEB or third party shall be exempted from electricity duty.

#### 8.1. Sale Tax Exemption

Any eligible producer setting up power generation plant based on non-conventional energy sources in the State of Haryana will be allowed to purchase the plant and machinery used for the purpose of generation of such energy without payment of sales tax/purchase tax.

#### 9. Water Charges

Producer will be allowed to use the water for power generation through micro/minismall hydel plant. No royalty will be charged on the water used for power generation in those cases.

#### 10. Other Incentives

(i) Power generation from non-conventional energy sources will be treated like any other industry and incentives normally available to new industrial units would be permissible.

(ii) Concessions given to the industrial units in backward areas will be provided such as exemption from taxes and duties and capital subsidy etc. as provided by the Industries Department under its policy from time to time.

(iii) Infrastructural facilities such as approach road, water supply, power during construction period etc. will be provided on the lines of industrial estates, if these are being set up in the industrial estates developed by the State Government. If such plants are set up outside industrial estates, then these facilities shall be provided on actual cost basis.

(iv) For projects based on energy recovery from Municipal Solid/Liquid Waste, decision on providing land and garbage will be taken on case to case basis after receipt of applications for the site specific projects.

#### 11. Application and Clearance

(i) Eligible Producers should submit their application for setting up the project and for grid interface in the proforma to the Haryana State Electricity Board.

(ii) Clearance will be provided within a period of two months from the date of application.

(iii) A Power Purchase Agreement will be entered into with the producer within a period of one month from the date of providing the clearance.

(iv) If the applicant does not take effective steps (i. e. atleast 10% of the total project cost should be incurred) to implement the project within six months from the date of obtaining possession of land, the Agreement could be terminated and the site allocated to another applicant. If, on the other hand, and is not provided within three months from the date of agreement, the applicant will have the option to terminate the Agreement.

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